



DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-089]

Certain Steel Racks and Parts Thereof from the People's Republic of China: Final Results and Partial Rescission of Countervailing Duty Administrative Review; 2020

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) determines that countervailable subsidies were provided to producers and exporters of certain steel racks and parts thereof (steel racks) from the People's Republic of China (China) during the period of review (POR), January 1, 2020, through December 31, 2020.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Drew Jackson AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4406.

SUPPLEMENTARY INFORMATION:

Background

On October 6, 2022, Commerce published the *Preliminary Results*.¹ This review covers one mandatory respondent, Nanjing Dongsheng Shelf Manufacturing Co., Ltd. (Dongsheng), as well as 29 non-selected companies under review. We invited interested parties to comment on the *Preliminary Results*.² We received timely case briefs from the Government of China

¹ See *Certain Steel Racks and Parts Thereof from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Intent to Rescind the Review, in Part; 2020*, 87 FR 60644 (October 6, 2022) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum.

² *Id.*, 87 FR at 60644.

(GOC),³ the Coalition for Fair Rack Imports (the petitioner),⁴ and Dongsheng,⁵ and timely filed rebuttal briefs from the petitioner⁶ and Dongsheng.⁷ For a detailed description of the events that occurred subsequent to the *Preliminary Results*, see the Issues and Decision Memorandum.⁸ On January 6, 2023, in accordance with section 751(a)(3)(A) of the Tariff Act of 1930, as amended (the Act), Commerce extended the deadline for issuing the final results until April 4, 2023.⁹

Scope of the Order¹⁰

The merchandise covered by the *Order* is steel racks and parts thereof, assembled, to any extent, or unassembled, including but not limited to, vertical components (*e.g.*, uprights, posts, or columns), horizontal or diagonal components (*e.g.*, arms or beams), braces, frames, locking devices (*e.g.*, end plates and beam connectors), and accessories (including, but not limited to, rails, skid channels, skid rails, drum/coil beds, fork clearance bars, pallet supports, row spacers, and wall ties).

Merchandise covered by the *Order* is classified in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7326.90.8688, 9403.20.0081, 9403.90.8041, and 9403.99.9041.¹¹ Subject merchandise may also be classified under subheadings 7308.90.3000, 7308.90.6000, 7308.90.9590, and 9403.20.0090. The HTSUS subheadings are provided for convenience and U.S. customs purposes only. The written description of the scope is dispositive.

³ See GOC's Letter, "GOC Administrative Case Brief," dated November 10, 2022.

⁴ See Petitioner's Letter, "Petitioner's Case Brief," dated November 10, 2022.

⁵ See Dongsheng's Letter, "Case Brief," dated November 10, 2022.

⁶ See Petitioner's Letter, "Petitioner's Rebuttal," dated November 17, 2022.

⁷ See Dongsheng's Letter, "Rebuttal Brief," dated November 17, 2022.

⁸ See Memorandum, "Certain Steel Racks and Parts Thereof from the People's Republic of China: Issues and Decision Memorandum for the Final Results of the 2020 Countervailing Duty Administrative Review," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁹ See Memorandum, "Extension of Deadline for the Final Results of Countervailing Duty Administrative Review," dated January 6, 2023.

¹⁰ See *Certain Steel Racks and Parts Thereof from the People's Republic of China: Amended Final Affirmative Antidumping Duty Determination and Antidumping Duty Order; and Countervailing Duty Order* 84 FR 48584 (September 16, 2019) (*Order*).

¹¹ On February 9, 2022, Commerce received a request from U.S. Customs and Border Protection (CBP) to update the ACE Case Reference File (CRF) for this proceeding. Specifically, CBP requested that Commerce add HTSUS number 9403.99.9041 to the CRF to reflect 2022 updates to the HTSUS. On May 4, 2022, Commerce added HTSUS number 9403.99.9041 to the CRF for this proceeding (A-570-088). See Memorandum, "Request from Customs and Border Protection to Update the ACE AD/CVD Case Reference File: Certain Steel Racks and Parts Thereof from the People's Republic of China (A-570-088, C-570-089)," dated May 4, 2022.

A full description of the scope of the *Order* is contained in the Issues Decision Memorandum.

Analysis of Comments Received

All issues raised by interested parties in briefs are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is provided in Appendix I to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

Changes Since the *Preliminary Results*

Based on our review of the record and comments received from interested parties regarding our *Preliminary Results*, we made certain revisions to the countervailable subsidy rate calculations for the sole mandatory respondent, Dongsheng.¹² As a result of the changes to Dongsheng's program rates, the final rate for the 29 non-selected companies under review also changed.¹³ These changes are explained in the Issues and Decision Memorandum.

Methodology

Commerce conducted this review in accordance with section 751(a)(1)(A) of the Act. For each of the subsidy programs found countervailable, we find that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.¹⁴ The Issues and Decision Memorandum contains a full description of

¹² See Memorandum, "Final Results Calculations for Nanjing Dongsheng Shelf Manufacturing Co., Ltd.," dated concurrently with this notice.

¹³ See Appendix II, which identifies the 29 non-selected companies subject to the instant administrative review.

¹⁴ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

the methodology underlying Commerce's conclusions, including any determination that relied upon the use of adverse facts available pursuant to sections 776(a) and (b) of the Act.

Partial Rescission of Review

On November 5, 2021, Commerce initiated an administrative review of Hebei Minmetals Co., Ltd. (Hebei Minmetals).¹⁵ In the *Preliminary Results*, we stated our intent to rescind the review with respect to Hebei Minmetals because it claimed no shipments during the POR and we did not receive any information to contradict its claim.¹⁶ Therefore, in accordance with 19 CFR 351.213(d)(3), we are rescinding this administrative review with respect to Hebei Minmetals.

Companies Not Selected for Individual Review

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 705(c)(5) of the Act, which provides instructions for determining the all-others rate in an investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 705(c)(5)(A) of the Act, the all-others rate is normally an amount equal to the weighted average of the countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero or *de minimis* countervailable subsidy rates, and any rates determined entirely on the basis of facts available.

As stated above, there are 29 companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents, or found to be cross owned with a mandatory respondent. For these non-selected companies, because the rate calculated for the only participating mandatory respondent in this review, Dongsheng, was *above de minimis* and not based entirely on facts available, we are applying to the 29 non-selected companies

¹⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 61121 (November 5, 2021).

¹⁶ See *Preliminary Results*, 87 FR at 60644.

Dongsheng's subsidy rate. This methodology used to establish the rate for the non-selected companies is consistent with our practice regarding the calculation of the all-others rate, pursuant to section 705(c)(5)(A)(i) of the Act.

Final Results of Review

We find the countervailable subsidy rates for the sole mandatory respondent and non-selected respondents under review for the period of January 1, 2020, through December 31, 2020, to be as follows:

Company	Subsidy Rate (percent <i>ad valorem</i>)
Nanjing Dongsheng Shelf Manufacturing Co., Ltd.	6.09
Non-Selected Companies Under Review ¹⁷	6.09

Disclosure

We intend to disclose the calculations performed in connection with the final results of review to parties in this proceeding within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b).

Assessment Rates

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce has determined, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries of subject merchandise in accordance with the final results of this review, for the above-listed companies at the applicable *ad valorem* assessment rates listed. Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

Cash Deposit Requirements

¹⁷ See Appendix II for a full list of companies not individually examined in this review.

In accordance with section 751(a)(1) of the Act, Commerce intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms subject to the *Order*, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company, as appropriate. These cash deposit requirements, effective upon publication of the final results of review, shall remain in effect until further notice.

Administrative Protective Order (APO)

This notice also serves as a reminder to parties subject to an APO of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Notification to Interested Parties

We are issuing and publishing these final results of administrative review and notice in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.221(b)(5).

Dated: April 4, 2023.

Abdelali Elouaradia,
Deputy Assistant Secretary
for Enforcement and Compliance.

Appendix I

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the *Order*
- IV. Diversification of China's Economy
- V. Use of Facts Otherwise Available and Application of Adverse Inferences
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Discussion of the Issues
 - Comment 1: Whether to Apply Adverse Facts Available (AFA) to the Export Buyer's Credit (EBC) Program
 - Comment 2: Whether to Revise the Sources Used to Calculate the Benchmarks for Steel Welding Wire and Welding Rod
 - Comment 3: Whether to Rely on Additional Steel Benchmark Data
 - Comment 4: Whether the Provision of Natural Gas for Less Than Adequate Remuneration (LTAR) Is Specific
 - Comment 5: Ministerial Error Allegations
 - A. Whether to Revise the Total Subsidy Rate Calculation
 - B. Whether to Revise the Policy Loans to the Steel Racks Industry Program Subsidy Rate Calculation
 - C. Whether to Revise the AFA Subsidy Rate Applied to the EBC Program
 - D. Whether to Revise the "Other Subsidies" Rate Calculation
 - E. Whether to Revise the Electricity Benchmark Calculation
 - F. Whether to Revise Certain Monthly Hot-Rolled Steel and Cold-Rolled Steel Benchmark Prices
 - G. Whether to Revise the Hollow-Structural Steel Shape Benchmark Prices
 - H. Whether to Revise Structural Steel Shapes and Hollow-Structural Steel Shapes Benchmark Prices for the Month of October 2020
 - I. Whether to Revise the Galvanized Steel Subsidy Rate Calculation
 - J. Whether to Revise the Subsidy Rate Calculation for the Income Tax Deduction for Research and Development Under the Enterprise Income Tax Law Program
 - K. Whether to Revise the Import Duty Rates Applied to the Hot-Rolled Steel and Cold-Rolled Steel Benchmark Calculations
- IX. Recommendation

Appendix II

List of Companies Not Selected for Individual Examination

- 1. Ateel Display Industries (Xiamen) Co., Ltd.

2. CTC Universal (Zhangzhou) Industrial Co., Ltd.
3. David Metal Craft Manufactory Ltd.
4. Fujian Ever Glory Fixtures Co., Ltd.
5. Guangdong Wireking Housewares and Hardware Co., Ltd.
6. Hebei Wuxin Garden Products Co., Ltd.
7. Huanghua Xinxing Furniture Co., Ltd.
8. i-Lift Equipment Ltd.
9. Johnson (Suzhou) Metal Products Co., Ltd.
10. Master Trust (Xiamen) Import and Export Co., Ltd.
11. Nanjing Ironstone Storage Equipment Co., Ltd.
12. Nanjing Kingmore Logistics Equipment Manufacturing Co., Ltd.
13. Ningbo Xinguang Rack Co., Ltd.
14. Redman Corporation
15. Redman Import & Export Limited
16. Suzhou (China) Sunshine Hardware & Equipment Imp. & Exp. Co. Ltd.
17. Tianjin Master Logistics Equipment Co., Ltd.
18. Xiamen Baihuide Manufacturing Co., Ltd.
19. Xiamen Ever Glory Fixtures Co., Ltd.
20. Xiamen Golden Trust Industry & Trade Co., Ltd.
21. Xiamen Kingfull Imp and Exp Co., Ltd.. (d.b.a) Xiamen Kingfull Displays Co., Ltd.
22. Xiamen LianHong Industry and Trade Co., Ltd.
23. Xiamen Luckyroc Industry Co., Ltd.
24. Xiamen Luckyroc Storage Equipment Manufacture Co., Ltd.
25. Xiamen Meitoushan Metal Products Co., Ltd.
26. Xiamen Power Metal Display Co., Ltd.
27. Xiamen XinHuiYuan Industrial & Trade Co., Ltd.
28. Xiamen Yiree Display Fixtures Co., Ltd.
29. Zhangjiagang Better Display Co., Ltd.

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